cent.; but let us follow the ex-Chancellor's example and take loans to Allies, which we will estimate at ^1480 millions up to November 9th, as good for £740 millions, and loans to Dominions at £220 millions up to the same date, a total of ^960 millions, to be deducted from gross war cost. Concerning £740 millions of this sum, however, there is a certain amount of doubt. No one questions for a moment the solvency of France and Italy, but in view of the pressure that the war has exercised on their producing power, and, in the case of France, the complication added by the uncertainties of the position in Russia, in which French investors are so deeply interested, one cannot feel sure that they will be able at once to make interest payments. Much will depend on the sums that they are able to recover from Germany against their bill of damages, on which more anon. But in any case it seems likely that a general scheme of interest funding, as between the Allies, may have to be adopted for some years to come.

As to the other assets that we have to set against our gross expenditure during the fighting period, they were enumerated by the ChancellorMn his Budget speech last April in the following terms :—

Balances in agents' hands, debts due, foodstuffs, etc..... £375 millions.
Land, securities, buildings and ships 97
Stores in Munitions Department (cost price 325 millions) taken at 100

| | |
|---|---|
| Additions this financial year | ... 100 |
| Arrears of taxation ..... | 500 |
| *Total | £1172 |

* Parliamentary Debates, Vol. 105, No. 33, pp. 698-699.

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